

# Education and Workforce Development Cabinet

## Kentucky's unemployment rate released for October 2013

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### **Contact Information:**

**FRANKFORT, Ky. (Nov. 21, 2013)** — Kentucky's seasonally adjusted preliminary unemployment rate rose to 8.4 percent in October from a revised 8.3 percent in September 2013, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet.

The preliminary October 2013 jobless rate was .3 percentage points above the 8.1 percent rate recorded for the state in October 2012.

The U.S. seasonally adjusted jobless rate went up to 7.3 percent in October 2013 from 7.2 percent in September 2013, according to the U.S. Department of Labor.

Labor force statistics, including the unemployment rate, are based on estimates from the Current Population Survey of households. It is designed to measure trends rather than to count the actual number of people working. It includes jobs in agriculture and those classified as self-employed.

In October 2013, Kentucky's civilian labor force was 2,063,809, a decrease of 9,869 individuals compared to the previous month. Employment dropped by 9,652, while the number of unemployed people decreased by 217.

"Kentucky's labor market has struggled since late spring. The unemployment rate improved considerably at the beginning of the year dropping down to 7.9 percent. But for the last five months it has barely budged from the 8.4 percent mark," said economist Manoj Shanker of the OET.

"The sharp drop in the labor force is from several factors. Most notably the ageing population as boomers retire, and also from the federal government shutdown which temporarily caused federal employees and contractors to be furloughed," he added.

In a separate federal survey of business establishments that excludes jobs in agriculture and people who are self-employed, Kentucky's seasonally adjusted nonfarm employment declined by 12,600 jobs to 1,832,600 in October 2013 from the previous month. On an over-the-year basis, the state's nonfarm employment has added 1,300 jobs.

Nonfarm data is provided by the Bureau of Labor Statistics' Current Employment Statistics program. According to this survey, four of Kentucky's 11 major nonfarm North American Industry Classification System (NAICS) job sectors registered gains in employment, while six declined and one stayed the same this month.

Kentucky's professional and business services sector added 500 jobs in October 2013. This category includes establishments engaged in services that support the day-to-day activities of other organizations, including temporary employment services. Since last October, jobs in the sector have increased by 5,100.

The construction sector increased by 500 positions in October 2013 from a month ago. Since October 2012, employment in construction has dropped by 1,800 jobs.

"There has been a sharp uptick in construction during the second half of the year. The gains are primarily from demand for specialty trade contractors, and, to some extent, heavy construction projects," said Shanker.

The number of jobs in the other services sector, which includes repairs and maintenance, personal care services, and religious organizations, rose by 200 positions in October 2013. Compared to a year ago, there has been a loss of 2,600 jobs.

The information sector gained 200 positions in October 2013. This segment has declined by 1,700 positions since October 2012. The industries in this sector include traditional publishing as well as software publishing; motion pictures and broadcasting; and telecommunications.

"The industry has been in a slow decline for almost two years, as the traditional media tries to figure out how to be profitable in an ever-changing landscape of electronic news and entertainment," said Shanker.

Employment in the mining and logging sector was unchanged from September 2013 to October 2013. The number of jobs in this sector has dropped by 900 since last October.

The educational and health services sector dropped by 300 positions in October 2013. The sector has posted an increase of 700 jobs since October 2012.

The financial activities sector fell by 1,000 jobs in October 2013. Compared to October a year ago, businesses involved in finance, insurance, real estate and property leasing have increased by 700 jobs.

The government sector, which includes public education, public administration agencies and state-owned hospitals, decreased by 1,700 jobs in October 2013. The sector had 1,300 fewer jobs compared to October 2012.

The state's manufacturing sector lost 2,100 positions in October 2013. Since October 2012, employment in manufacturing has fallen by 3,200 jobs.

"The decline in the overall manufacturing sector has resulted from a contraction in the nondurable goods industries which have shed 3,400 jobs during the year," said Shanker.

"Job growth remains strong in the motor vehicle sector, but in almost all other areas of manufacturing employment has slowed to a crawl in response to a sharp drop in consumer confidence as reflected by the Conference Board's consumer confidence index."

The state's leisure and hospitality sector posted a drop of 3,800 jobs in October 2013. Since October 2012, the sector has grown by 4,200 positions. This sector includes arts, entertainment, recreation, accommodation and food services.

Kentucky's trade, transportation and utilities sector lost 5,100 jobs in October 2013. This is the largest sector in Kentucky with 372,100 positions, and accounts for about 20 percent of nonfarm employment. Since October 2012, jobs in this sector have declined by 1,500.

"The month-to-month drop has been largely in the retail trade sector which posted a drop of 4,000 positions," said Shanker.

Civilian labor force statistics include nonmilitary workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about Kentucky labor market information at [www.kylmi.ky.gov](http://www.kylmi.ky.gov).

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**Note: As a result of the federal shutdown in September 2013, the August 2013 revised labor market information was not released. A table with August's revised data can be viewed at <https://kylmi.ky.gov/admin/gsipub/htmlarea/uploads/Sep%202013%20Table.pdf>.**